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17 Attorneys for Plaintiff
18 FEDERAL TRADE COMMISSION

19 UNITED STATES DISTRICT COURT
20 CENTRAL DISTRICT OF CALIFORNIA

21 FEDERAL TRADE COMMISSION,

22 Plaintiff,

23 v.

24 SALE SLASH, LLC, a California
25 limited liability company, *et al.*,

26 Defendants.

Case No. CV15-03107 PA (AJWx)

NOTICE OF STIPULATED MOTION
AND STIPULATED MOTION TO
STAY PROCEEDINGS AND
APPLICABLE DEADLINES
PENDING FEDERAL TRADE
COMMISSION'S FORMAL REVIEW
OF SETTLEMENT

Date: January 11, 2016

Time: 1:30 p.m.

Place: Courtroom 15, Spring Street

Before: Hon. Judge Percy Anderson

NOTICE OF MOTION

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

Please take notice that on January 11, 2016, at 1:30 p.m., or as soon thereafter as counsel may be heard, in Courtroom 15 of the United States District Court for the Central District of California, located at 312 North Spring Street, Los Angeles, California 90012, Plaintiff Federal Trade Commission (“FTC”) and Defendants Sale Slash, LLC, Purists Choice LLC, Optim Products LLC, Edgar Babayan, Artur Babayan, and Vahe Haroutounian (“Stipulating Defendants”) will and hereby do move the Court to stay these proceedings and applicable Court deadlines in this matter pending formal review of a proposed settlement by the Federal Trade Commission.

This motion is based on this notice of motion and motion, the files and records in this case, and such further evidence and argument as may be presented at any hearing on this application.

The FTC and Stipulating Defendants have stipulated to this motion, obviating the need for further conference of counsel pursuant to Local Rule 7-3.

1 SO STIPULATED AND AGREED:

2 FOR PLAINTIFF:

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4 /s/ Matthew H. Wernz

Date: Dec. 14, 2015

5 Matthew H. Wernz

6 *Attorney for Plaintiff, Federal Trade Commission*

7 FOR STIPULATING DEFENDANTS:

8
9 /s/ Karl S. Kronenberger

Date: Dec. 14, 2015

10 Karl S. Kronenberger, CA # 226112

11 Virginia Sanderson, CA # 240241

12 *Attorney for Stipulating Defendants Sale Slash, LLC, Purists Choice LLC, Optim*
13 *Products LLC, Edgar Babayan, Artur Babayan, and Vahe Haroutounian*
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MOTION

Plaintiff Federal Trade Commission (“FTC”) and Defendants Sale Slash, LLC, Purists Choice LLC, Optim Products LLC, Edgar Babayan, Artur Babayan, and Vahe Haroutounian (collectively, “Stipulating Defendants”), move this Court to stay the proceedings and applicable deadlines in this matter pending formal review by the five-member Federal Trade Commission of a proposed settlement between the FTC and Stipulating Defendants. In support of this motion, the FTC and Stipulating Defendants state:

1. Stipulating Defendants and FTC counsel have agreed on terms of a settlement in this case and have prepared a stipulated order signed by the Stipulating Defendants, that, if approved by the Court, would fully resolve this matter as to the Stipulating Defendants.

2. FTC counsel does not have authority to bind the FTC to the settlement. The FTC is headed by five Commissioners. Settlement of an FTC case in litigation may occur only with affirmative concurrence of a majority of the participating Commissioners. *See* 16 C.F.R. § 4.14(c).

3. FTC counsel is preparing the necessary materials to recommend that the Commissioners accept the terms of the settlement agreed to between FTC

1 counsel and Stipulating Defendants. FTC counsel estimates that the review
2 process will take approximately two months.¹

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4 4. Before agreeing to this settlement framework, the parties were
5 engaged in discovery. Pursuant to the Court's scheduling order, fact discovery
6 closes on February 1, 2016, and trial is set for April 12, 2016. (*See* Dkt. # 73.)
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8 5. In light of the pending settlement recommendation being considered
9 by the Commission in this case, FTC counsel and Stipulating Defendants request
10 that the Court stay discovery and applicable deadlines in this matter. Staying the
11 proceedings will avoid expending unnecessary resources in discovery that will not
12 need to be undertaken if the Commission approves the settlement in this matter. In
13 the unlikely event that the Commission does not approve the settlement, the parties
14 immediately would notify the Court, request that the stay be lifted, and seek an
15 amended scheduling order.
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19 6. There are three additional corporate Defendants who have not
20 stipulated to the proposed settlement: Apex Customer Care LLC, Penway LLC,
21 and Renvee LLC. Those corporate Defendants are in default. (Dkt. # 154.) They
22 have not appeared in the matter, have not filed responsive pleadings, and have not
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25 ¹ Before being reviewed by the Commissioners, FTC counsel's
26 recommendation also will be reviewed by the FTC's Bureau of Consumer
27 Protection. Although the Commission is not bound by the recommendation of its
28 staff, the Commission generally gives considerable weight to its staff's settlement
recommendations.

1 opposed the entry of a Preliminary Injunction, including an asset freeze, against
2 them. They likewise have been subject to the Court-ordered Receivership for more
3 than seven months but have not objected to that Receivership. If the Commission
4 approves the proposed settlement as to Stipulating Defendants, then Plaintiff would
5 move for a default judgment against the remaining, defaulted Defendants, which,
6 along with the proposed settlement, would resolve this case in full.
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9 7. Counsel for the Stipulating Defendants agrees to the stay of the
10 Court's consideration of Defendant Vahe Haroutounian's Motion for Order
11 Allowing Limited Release of Frozen Funds for Payment of State Taxes (the
12 "Haroutounian Motion"). Local Rules required the FTC to file any brief in
13 response to the Haroutounian Motion by Monday, December 14, 2015. Thus, the
14 FTC separately has filed an opposition to the Haroutounian Motion. The
15 Haroutounian Motion would be resolved by the proposed settlement.
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19 **WHEREFORE,** the FTC and Defendants respectfully request that this
20 Court stay the proceedings and applicable deadlines in this matter pending formal
21 review of a proposed settlement by the Federal Trade Commission.
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SO STIPULATED AND AGREED:

FOR PLAINTIFF:

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Date: Dec. 14, 2015

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Date: Dec. 14, 2015

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Products LLC, Edgar Babayan, Artur Babayan, and Vahe Haroutounian*